

SFL Public Issue 5 - FAQs

Q1. What is the Issue Size?

Base issue size of Rs. 100 Crore, with an option to retain oversubscription of Rs. 100 Crore, aggregating to a total of Rs. 200 Crore

Q2. What is the face value of this NCD?

The NCDs will be issued at a face value of Rs. 1,000/- each per NCD

Q3. What is the frequency of interest payment?

Frequency of interest payments for various series is as below:

Options I, III, V, VII- monthly interest payment

Options II, IV, VI, VIII– cumulative interest payment at maturity

Q4. What is the rating of the NCDs?

The SFL NCDs have been rated 'ICRA (BBB) Stable' by ICRA for an amount of up to Rs.200 Crs. by its No. ICRA/Sakthi Finance Limited/03062021 dated 03.06.2021. The rating of the NCDs by ICRA indicate that instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and carry moderate credit risk. The outlook is stable.

Q5. What is the minimum application size for investment?

An investor may apply for a minimum of ₹10,000 (10 NCDs) and in multiples of Rs. 1,000 (1 NCD) thereafter.

Q6. Is there any reservation for individual investor investing in this issue?

No

Q7. Is demat account necessary to invest in these NCDs?

Yes. All Series of NCDs will be allotted in dematerialized form only. Trading in NCDs shall be compulsorily in dematerialized form Only.

Q8. Is ASBA the only method for applying for this issue.

Yes. The applicant should have an account with an SCSB which provides ASBA facility. Cheques, cash, other forms of payment cannot be accepted.

Q9. Who all are eligible to invest in these NCDs?

Category I

Persons eligible to apply to the Issue under this category include:

- Resident public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions;
- State industrial development corporations;
- Provident funds, pension funds with a minimum corpus of ₹2500 lakh, superannuation funds and gratuity funds, authorized to invest in the NCDs;
- Insurance companies registered with the IRDA;
- National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the Gol;
- Mutual funds registered with SEBI;
- Alternative Investment Funds registered with SEBI subject to investment conditions applicable to them under the SEBI AIF Regulations;
- Resident Venture Capital Funds registered with SEBI;
- Systemically Important Non-Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50000 lakh as per the last audited financial statements; and
- Insurance funds set up by and managed by the army, navy or air force of the Union of India or by the Department of Posts, Gol.

Category II

Persons eligible to apply to the Issue under this category include:

- Companies within the meaning of section 2(20) of the Companies Act, 2013;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, which are authorised to invest in the NCDs;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in NCDs;
- Co-operative banks, and regional rural banks incorporated in India;
- Trusts including public/private charitable/religious trusts settled and/or registered in India under applicable laws, which are authorized to invest in the NCDs;
- Resident Indian scientific and/or industrial research organizations, authorized to invest in the NCDs;
- Limited liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act 2008 (No. 6 of 2009), authorized to invest in the NCDs;
- Partnership firms formed under applicable laws in India in the name of the partners, authorized to invest in the NCDs
- Association of Persons: and
- Any other incorporated and/ or unincorporated body of persons;
- Resident Indian individuals and Hindu Undivided Families applying through the Karta aggregating to a value exceeding ₹5 lakhs.

Category III

Resident Indian individuals applying for an amount aggregating to a value not exceeding 5 lakhs and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism and Hindu Undivided Families applying through the Karta applying for an amount aggregating to a value not exceeding ₹5 lakhs.

Q10. Who is not eligible to invest in the Issue?

Following are not eligible to invest in the Issue:

1. Minors without a guardian (A guardian may apply on behalf of a minor. However, the name of the guardian will have to be mentioned the application form;
2. NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, (iv) Foreign Nationals including NRIs and / or, (v) subject to any taxation laws of the USA;
3. Persons resident outside India including without limited, FIIs, Non-Resident Indians, QFI, Foreign venture Capital Funds and Non-Resident Incorporate Entities (Formally OCBs)
4. Foreign Institutional Capital Investors;
5. Foreign Venture Capital Investors;
6. Non-Resident Incorporate Entities (Formally Overseas Corporate Bodies)
7. Persons ineligible to contract under applicable statutory/regulatory requirements.

Q11. Can the application be made on joint names?

- Applications may be made in single or joint names :
 - If the Application is submitted in joint names, the Application Form should contain name of the first Applicant only whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names;
 - If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only such person would be required in the Application Form.
- Such Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Such Applications should contain the PAN of the HUF and not of the Karta;

- In the case of joint Applications, all payments will be made by the Company in favour of the first Applicant.
- All communications will be addressed to Applicant whose name appears first in the Application Form and at the address mentioned therein.
- Applications should be made by Karta in case the Applicant is an HUF.

Q12. Can an applicant make additional/multiple applications?

Yes

- An Applicant can make one or more Applications for the NCDs for the same or other Options of NCDs, subject to a minimum application size of Rs. 10,000 and in multiples of Rs. 1,000 thereafter as specified in the Prospectus.
- Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.
- If the cumulative value of multiple Applications made by an Applicant falling under Retail Individual Portion aggregates to a value exceeding ₹5 lakh, such Applications shall be grouped in the High Net-worth Individuals (“HNIs”)
- However, any Application made by a person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided Family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application.
- For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is the same.

Q13. Which stock exchange are the NCDs proposed to be listed on?

The NCDs are proposed to be listed on BSE Limited.

Q14. What is the issue period?

Issue opens on 29th June, 2021 and closes on 23rd July, 2021.

Q15. What is the application amount and mode of payment to be payable on application?

- The minimum application size for each application for NCDs would be Rs.10,000/-, and in multiples of Rs. 1,000/- thereafter.
- Applicants can apply for any or all Options of NCDs offered hereunder (any/all options) using the same Application Form.
- Application can be made in ASBA mode only.
- Applicants shall specify the ASBA Account number in the Application Form.

Q16. Where/How should the completed application forms be submitted ?

All branches shall send the application forms to Mr. Sivakumar, Sakthi Finance Limited, No.62, Dr. Nanjappa Road, Coimbatore – 641018, by courier marked to him.

Q17. Can an applicant withdraw application during the Issue Period ?

Applicants can withdraw their Applications during the Issue Period by submitting a request..

Q18. Can an applicant revise his/her application during the Issue Period ?

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request. Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case, the date of the new Application will be considered for date priority for Allotment purposes. Revision of Applications

is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date.

Q19. What is the basis of allotment? How will allocation happen in case of over subscriptions?

- (i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 5% of Overall Issue Size on first come first serve basis;
- (ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 5% of Overall Issue Size on first come first serve basis;
- (iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 90% of Overall Issue Size on first come first serve basis;

Q20. When will the funds get unblocked ?

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications :
The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

Q21. When will the investor get the allotment advice ?

The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories after allotment process is over.

Q22. Can NRIs Apply in this Issue?

No, NRIs cannot apply in this Issue.

Q23. What are the documents/certificates that need to be filed along with the Application Form for retail investors ?

No documents. All applicants shall be required to mention their PAN Number in the Application Form.

Q.24. Can I apply through UPI mechanism ?

Yes. As per the SEBI Regulations, from 1st January'2021, the debenture holders can have the option of applying through UPI mechanism, upto Rs.2.00 Lakhs. The debenture holder shall mention the upi id in the application form at the space provided. On submission of application and completion of bidding, the debenture holder must accept and approve for blocking funds through UPI request received from SCSB, in his/her UPI App.

Q.25. Can I Apply through online with UPI id ?

Yes. The debenture holder shall register first in "BSE Direct" app available in Android Play Store (not available in Apple App Store) or through web site www.bsedirect.com, with providing details along with UPI id. The debenture holder can apply through online and block the funds.